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EDA GROUP HOLDINGS LIMITED

EDA集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2505)

DISCLOSEABLE TRANSACTION

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

On 24 April 2025, Beijing Li Qian (a joint venture company of the Company that is controlled by independent third parties) entered into the Investment Agreement with FLEXLOGIS PRIVATE (an indirect wholly-owned subsidiary of the Company), EDA CLOUD (a wholly-owned subsidiary of the Company) and the Target Company (an indirect wholly-owned subsidiary of the Company), pursuant to which Beijing Li Qian agreed to acquire a 51.16% equity interest in the Target Company by a capital injection of RMB83,800,000. Immediately prior to the entering into of the Investment Agreement, the Target Company is owned as to 99.00% by FLEXLOGIS PRIVATE and 1.00% by EDA CLOUD. Upon completion of the Capital Injection, the equity interest in the Target Company held by FLEXLOGIS PRIVATE and EDA CLOUD will be decreased from 99.00% and 1.00%, to 48.35% and 0.49%, respectively.

LISTING RULES IMPLICATIONS

As the Company's interest in the Target Company will decrease from 100.00% to 48.84% upon completion of the Deemed Disposal, the transactions contemplated under the Investment Agreement constitute a deemed disposal of equity interest in the Target Company under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Deemed Disposal exceed 5% but all are less than 25%, the entering into of the Investment Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

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Set out below are the principal terms of the Investment Agreement:

Date

24 April 2025

Parties

- (1) FLEXLOGIS PRIVATE
- (2) EDA CLOUD
- (3) Beijing Li Qian
- (4) the Target Company

Capital Injection

Immediately prior to the entering into of the Investment Agreement, the Target Company is held as to 99.00% by FLEXLOGIS PRIVATE and 1.00% by EDA CLOUD with a registered capital of Rp10,001,000,000 (approximately RMB4,491,000). Upon the Capital Injection of RMB83,800,000 by Beijing Li Qian, the Target Company would be held as to 48.35%, 0.49% and 51.16% by FLEXLOGIS PRIVATE, EDA CLOUD and Beijing Li Qian, respectively, and would cease to be a subsidiary of the Company.

The amount of Capital Injection was determined after arm's length negotiations between parties to the Investment Agreement after taking into account various factors, including the operational status, financial position, business performance and nature, the estimated working capital requirements and the business prospect of the Target Company.

Conditions precedent

Completion is conditional upon the parties to the Investment Agreement having obtained all necessary approvals, and/or taken any and all necessary actions as required by the relevant laws and regulations for the Capital Injection.

Payment of the Capital Injection

Beijing Li Qian shall pay the investment amount of the Capital Injection in cash to the Target Company within ninety (90) working days after the effectiveness of the Investment Agreement. After Beijing Li Qian has fully paid its investment amount of the Capital Injection in accordance with the terms of Investment Agreement, it shall enjoy the shareholder rights of the Target Company.

Completion

Completion of the Deemed Disposal shall take place after Beijing Li Qian fully paid its investment amount of the Capital Injection. After the Capital Injection, the Target Company shall apply for, and complete, all requisite registration and filing procedures of Indonesia.

Management of the Target Company

Pursuant to the terms of the Investment Agreement, upon completion of the Capital Injection, significant matters of the Target Company (including but not limited to increase or reduction in capital, amendments to the articles, termination or change of the main business, investment or guarantee, mergers, demergers and liquidation) shall be unanimously approved by shareholders representing two-thirds (2/3) or more of the voting rights at the shareholders' meeting of the Target Company.

The board of directors of the Target Company shall consist of three directors. Beijing Li Qian has the right to appoint two directors, and the existing shareholders of the Target Company have the right to appoint one director. Significant matters of the Target Company (including but not limited to increase or reduction in capital, amendments to the articles, termination or change of the main business, investment or guarantee, mergers, demergers and liquidation, appointment or dismissal of general manager) shall be approved by more than two-thirds (2/3) of all directors of the Target Company.

Profit distribution

Pursuant to the terms of the Investment Agreement, upon completion of the Capital Injection, the profits attributable to the shareholders of the Target Company shall be distributed to FLEXLOGIS PRIVATE, EDA CLOUD and Beijing Li Qian in accordance with their respective equity interest in the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the Republic of Indonesia with limited liability on 16 July 2024, and is principally engaged in providing logistics solutions in the Republic of Indonesia. The Target Company and its subsidiary currently hold three warehouses occupying land area of 28,130 square meters in Tangerang, Indonesia, close to the capital city Jakarta.

The following is the unaudited financial information of the Target Company for the period from 16 July 2024 (date of incorporation) to 31 December 2024 in accordance with HKGAAP:

	For the period from 16 July 2024 to 31 December 2024	
	<i>Rp'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Revenue	815,184	370
Losses for the period before taxation	(2,744,618)	(1,247)
Losses for the period after taxation	(2,140,802)	(973)

The unaudited net asset value of the Target Company as at 31 December 2024 and 31 March 2025 were Rp7,860,198,000 (equivalent to approximately RMB3,561,000) and Rp37,360,544,000 (equivalent to approximately RMB16,401,000), respectively.

FINANCIAL EFFECTS OF THE DEEMED DISPOSAL

Immediately prior to the entering into of the Investment Agreement, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon completion of the Deemed Disposal, the Target Company is owned as to 48.35%, 0.49% and 51.16% by FLEXLOGIS PRIVATE, EDA CLOUD and Beijing Li Qian, respectively. Upon completion of the Deemed Disposal, the Company ceases to control the Target Company, but the Company still has significant influence on the Target Company, the Target Company is treated as a joint venture of the Company and ceases to be a subsidiary of the Company upon completion of the Deemed Disposal. As such, the Target Company will be equity accounted for in the financial statements of the Group and its financial results will not be consolidated into the financial statements of the Group. Subject to review and confirmation by the auditor, the Group is expected to record a gain of approximately RMB27,003,000 from the Deemed Disposal, which is calculated based on the difference between the fair value of the remaining equity interest in the Target Company after the transaction and the carrying amount of the Target Company's net assets that the Group held as at 31 March 2025. The Target Company intends to utilise the Capital Injection of RMB83,800,000 as general working capital and further acquisition of logistic warehouses in Indonesia.

REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL

Taking into account of the current financial position and prospective funding needs of the Target Company, the Directors believe that the Investment Agreement represents a good opportunity for the Target Company to bring in external capital and the Capital Injection will improve the financial position and increase the capital of the Target Company. The Capital Injection also would create a gain on disposal of RMB27,003,000, which brings forth a positive financial impact on the Group.

In light of the aforesaid, the Directors believe that the Capital Injection will have positive impact and benefit to the future prospects of the Target Company hence the Group. The Directors are also of the view that the terms of the Deemed Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, THE PARTIES TO THE INVESTMENT AGREEMENT

(1) The Company

The Company, a limited company incorporated in the Cayman Islands, is a leading global artificial intelligence logistics technology service group for e-commerce vendors, empowering the fast-growing B2C export e-commerce industry in the PRC.

(2) FLEXLOGIS PRIVATE

FLEXLOGIS PRIVATE is a company incorporated in the Republic of Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company.

FLEXLOGIS PRIVATE is principally engaged in providing logistics solutions in the Republic of Indonesia.

(3) EDA CLOUD

EDA CLOUD is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company.

The principal business activity of EDA CLOUD is investment holding.

(4) Beijing Li Qian

Beijing Li Qian is a company established in the PRC with limited liability and is 100% owned by Hubei Ezhou EDA Cloud Enterprise Management Partnership (Limited Partnership)* (湖北省鄂州市易達雲企業管理合夥企業 (有限合夥)) (“**Ezhou EDA**”), a joint venture of the Company. Ezhou EDA is 49.95% owned by EDA Technology (Ezhou) Company Limited* (易達雲科技(鄂州市)有限公司), a subsidiary of the Company, 49.45% owned by Hubei Guanghe Xinda Enterprise Consulting Company Limited* (湖北省廣合信達企業諮詢有限公司) (“**Guanghe Xinda**”) and 0.6% owned by Shenzhen Huigang Technology Company Limited* (深圳市慧港科技有限公司) (“**Shenzhen Huigang**”). Based on publicly available information, Guanghe Xinda is owned as to 66.67% by Ezhou City Changda Industrial Investment Fund of Funds Partnership (Limited Partnership), which is ultimately wholly-owned by the Ezhou State-owned Assets Supervision and Administration Commission (鄂州市人民政府國有資產監督管理委員會) and is owned as to 33.33% by Ezhou City Liangzihu District Innovation Industry Development Fund Partnership (Limited Partnership), which is ultimately owned as to 95.0% by Ezhou City Liangzihu District Finance Bureau (鄂州市梁子湖區財政局) and as to 5.0% by a number of individuals and PRC governmental bodies, respectively. Shenzhen Huigang is 100% owned by Mr. Xing Zhixuan. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Guanghe Xinda and Shenzhen Huigang as well as their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

The principal business activity of Beijing Li Qian is investment holding.

(5) The Target Company

The Target Company is a company incorporated in the Republic of Indonesia with limited liability and is an indirect wholly-owned subsidiary of the Company immediately prior to the entering into of the Investment Agreement and is owned as to 48.35%, 0.49% and 51.16% by FLEXLOGIS PRIVATE, EDA CLOUD and Beijing Li Qian, respectively, upon completion of the Deemed Disposal.

The Target Company is principally engaged in providing logistics solutions in the Republic of Indonesia.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Beijing Li Qian”	Beijing Li Qian Technologies Company Limited* (北京力乾科技有限公司), a company established in the PRC with limited liability and is 100% owned by Hubei Ezhou EDA Cloud Enterprise Management Partnership (Limited Partnership)* (湖北省鄂州市易達雲企業管理合夥企業 (有限合夥)), a joint venture of the Company
“Board”	the board of Directors
“Capital Injection”	the capital injection of RMB83,800,000 by Beijing Li Qian to the Target Company
“Company”	EDA Group Holdings Limited (previously named as EDA CLOUD Technology Holdings Limited (易達雲科技控股有限公司)), an exempted company incorporated in the Cayman Islands on 17 September 2020 with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deemed Disposal”	the reduction of the Company's equity interest in the Target Company from 100.00% to 48.84% pursuant to the Investment Agreement
“Director(s)”	director(s) of the Company
“EDA CLOUD”	EDA CLOUD Company Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Company

“FLEXLOGIS PRIVATE”	FLEXLOGIS PRIVATE LIMITED, a company incorporated in the Republic of Singapore with limited liability, and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“Investment Agreement”	the investment agreement dated 24 April 2025 entered into among FLEXLOGIS PRIVATE, EDA CLOUD, Beijing Li Qian and the Target Company in relation to the Capital Injection
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKGAAAP”	the Hong Kong generally accepted accounting practice
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rp”	Indonesian Rupiah, the lawful currency of the Republic of Indonesia
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Target Company”

PT Flexlogis Investment Indonesia, a company incorporated in the Republic of Indonesia with limited liability, and an indirect wholly-owned subsidiary of the Company owned as to 99% by FLEXLOGIS PRIVATE and 1% by EDA CLOUD

“%”

per cent.

By order of the Board
EDA Group Holdings Limited
Mr. Liu Yong
Executive Director and Chairman of the Board

Hong Kong, 24 April 2025

As at the date of this announcement, the Board comprises (i) Mr. Liu Yong, Ms. Li Qin and Mr. Cheung Man Yu as executive Directors; (ii) Mr. Zuo Manlun and Mr. Luo Jianfeng as non-executive Directors; and (iii) Mr. Chan Kwok Cheung Kevin, Mr. Ng Cheuk Him and Mr. Wong Ping Yee Natalis as independent non-executive Directors.

* *For identification purpose only*